

VZCZCXYZ0004  
PP RUEHWEB

DE RUEHC #5793 2301412  
ZNY SSSSS ZZH  
P 181355Z AUG 09  
FM SECSTATE WASHDC  
TO AMEMBASSY BEIJING PRIORITY 0000

S E C R E T STATE 085793

NOFORN  
SIPDIS

E.O. 12958: DECL: 08/07/2034  
TAGS: CH ETTC IR PARM PREL  
SUBJECT: SHIELD: FOLLOWING UP ON CASES OF CHEM/BIO  
PROLIFERATION CONCERN

REF: A. A. BEIJING 2170  
IB. B. STATE 77681  
IC. C. BEIJING 1951  
ID. D. STATE 71261  
IE. E. BEIJING 1253  
IF. F. BEIJING 1204  
IG. G. STATE 44852  
IH. H. 08 BEIJING 2648  
II. I. 08 BEIJING 2614  
IJ. J. 08 BEIJING 1263  
IK. K. 08 BEIJING 1080  
IL. L. 08 STATE 28928  
IM. M. 07 BEIJING 5848  
IN. N. 07 STATE 123386 AND PREVIOUS

Classified By: Robert Mikulak, Dir., ISN/CB Reasons: 1.4 (c) and (d)

I1. (U) This is an action request. Please see paragraph 3.

I2. (S//NF) BACKGROUND: The U.S. has provided the Chinese government with information regarding a number of cases of chemical and biological weapons proliferation since 2008 (reftels). We would like to follow-up with China and request an update on a number of open proliferation cases in advance of potential nonproliferation talks with Chinese officials in Washington, currently scheduled for fall 2009. END BACKGROUND.

I3. (SBU) ACTION REQUEST: Department requests Embassy Beijing deliver the points in paragraph 6 to appropriate host government officials and report a response. The points may be left as a nonpaper. END ACTION REQUEST.

I4. (U) Please contact ISN/CB Andrew Souza at 202-647-4838 or souzaam@state.sgov.gov for further information.

I5. (S//NF) Please begin all responses with SHIELD and slug for ISN.

I6. (U) Begin talking points/nonpaper:

(SECRET//REL CHINA)

We appreciate your interest in advancing our mutual nonproliferation goals and look forward to hearing your responses regarding these proliferation cases at the upcoming U.S.-China nonproliferation dialogue.

IA. Shanghai Gymta International Trade Company, Ltd.

-- On March 19, 2008, the U.S. raised with you our concern that Shanghai Gymta International Trade Company, Ltd. has been assisting the Iranian company Industrial Pioneers (I.P.) Farayand to acquire chemical weapons-useful items and technology, some of them Australia-Group controlled, from suppliers in China during the time period 2007-2008.

-- The end-user of the items of I.P. Farayand's joint venture manufacturing glass-lined chemical reactor vessels in Iran is

called Shimi Azarjaam.

IB. Shenzhen Yujie Electronics Company Ltd.

-- In May 2009, the U.S. raised with you our concerns that in July 2008 the Iranian firm Nasser Sultani Trading, acting as a middle-man, procured hydrofluoric acid from the Chinese entity Shenzhen Yujie Electronics Company Ltd.

-- We are looking into your request for additional information, but we have nothing further to share at this time.

IC. Zhejiang Material Industries Chemical Group and Shanxi Weigida Pharmaceuticals Company

-- In May 2009, the U.S. raised with you concerns that a group of employees from Zhejiang Material Industries Chemical Group and Shanxi Weiqida Pharmaceuticals Company may have traveled to Iran to provide technical training and expertise, as well as installation and start-up of a plant purchased by the Iranians.

-- We are looking into your request for additional information, but we have nothing further to share at this time.

ID. Yongyi Chemicals Group Company and Qingdao Hong Jin Trading Company

-- In July 2009, the U.S. raised with you concerns that Syria is seeking to purchase a large quantity of pinacolyl alcohol from China.

-- Pinacolyl alcohol is controlled by the Australia Group and is also a Schedule 2B chemical under the Chemical Weapons Convention, as it is a precursor for the chemical warfare agent Soman and has few commercial applications.

IE. Zibo Chemet

-- We have discussed the activities of Zibo Chemet on several different occasions and welcome China's decision to take punitive measures against Zibo Chemet Equipment Company in response to transfers of glass-lined chemical equipment to Iran.

-- In July 2009, the U.S. raised with you concerns that Zibo Chemet recently transferred Australia Group-controlled technology to manufacture glass-lined chemical reactor vessels to the Iranian entity Shimi Azarjaam.

-- Not only is this case of proliferation concern, it also undermines the market share of law-abiding Chinese chemical equipment exporters.

End talking points/nonpaper.

CLINTON